



OFFICE OF THE DEPUTY UNDER SECRETARY OF DEFENSE

WASHINGTON, D. C. 20301

POLICY REVIEW

3 FEB 1981

Maynard;

MEMORANDUM FOR Mr. Anderson, ODUSD (Policy Review)

SUBJECT: Proposed Changes to Executive Order 12065 Involving Sensitive
Compartmented Information (SCI)

Your 27 January 1981 memo concerning the subject solicits my views on Defense Intelligence Agency (DIA) and Air Force proposals to change certain sections of the Executive Order and the Information Security Oversight Office (ISOO) Directive. These proposals appear designed to provide relief from existing document control procedures that are deemed, by the intelligence community, too restrictive in the SCI arena.

It is my view that the new § 4-204 and modified § 4-404 as proposed by either DIA or the Air Force would not achieve the purpose for which they are apparently intended. Currently, § 4-404 of the Order requires reproduction control records for (1) Top Secret documents, (2) special access documents distributed outside the originating agency, and (3) all Secret and Confidential documents marked with special dissemination and reproduction limitations. While these provisions are clear with respect to the requirement to maintain control procedures for SCI material distributed outside an agency, the provisions are not as clear with regard to the requirement to maintain internal agency control procedures for SCI materials. The current ambiguity of the Order permits flexible interpretation of the requirements for internal control. To delete the requirement for control of SCI material outside an agency, as is proposed, would have the effect of removing any ambiguity in the current Order and clearly require control of all Top Secret documents (including SCI), and all Secret and Confidential documents marked with special dissemination markings. However, SCI markings on a document are, in and of themselves, special dissemination limiters. Thus, the effect of the proposed change would be to clearly require the control of all SCI material under all conditions, internal and external to an agency. This, I believe, is entirely counter to what the DIA is seeking.

More importantly, the President set forth, in § 4-103 of the Order, safeguarding policy which cannot be ignored. This policy requires that controls shall be established by each agency to ensure that classified information is used, processed, stored, reproduced, and transmitted only under conditions that will provide adequate protection and prevent access by unauthorized persons. The proposal is inherently weak because it contains no description of the alternate controls that the DCI or other senior intelligence officials would establish in compliance with § 4-103 of the Order to assure proper information safeguards. Without this alternate control description there is no real basis for expecting favorable reaction to the proposed change to the Order.

No Referral - On file OSD release instructions apply.

I do not know whether the proposed Executive Order changes forwarded by your memo have been coordinated with others outside the APEX Steering Group. If these proposed changes to the Order are purely a DoD initiative then full coordination within the Department would be necessary before this office could bring the proposal to the ISOO. If an Intelligence Community initiative, the proposal could properly be brought to the ISOO by the DCI representative to the Interagency Information Security Committee. In either case, a Defense position on any proposed change would have to be formulated by my office.



Van Cook